



Property Tax Credit (MI-1040 CR)


HOMEOWNERS CHECKLIST

for Request to Review Adjustment or Denial

In order to speed up the review of your Property Tax Credit, we ask that you first verify that the following information on your MI1040 CR is correct.

 **What is the taxable value of your homestead?** You can find this information on the assessment notice or the tax bills that you receive from your county, city, township or village. This information is entered on line #6, If you sold or purchased your homestead during the year then do not use line #6, instead enter the taxable value on lines #36 and #37.. *Do not use the SEV (state equalized value)!*

 **Did you use the correct school district code?** You can find this information either in the MI 1040 CR instructions or on your property tax statement. If you're not sure of the correct school district code, contact your local treasurer or assessor.

 **What was the total amount of taxes *levied* (billed) during the year?** You can only claim the amount of property taxes that have been *levied* during the year, which might be different from the amount you paid. You may have two tax statements (summer and winter) for the year. Do not use property tax information from your mortgage statement! Rely on the property tax bills (you can get a copy from your local treasurer's office).

 **What is the principal residence exemption percentage on the property?** This information can be found on your tax statement.

- **100%** means that your property is exempt from school operating tax.
- **Between 99% and 0%** means that part of your property is not used as your principal residence and your property is subject to some school operating tax.

For example, if you use 10% of your property as a business, then your principal residence exemption would be 90%.

- You cannot claim any of the school operating tax for the property tax credit because that is taxed to the business on your property.
- After subtracting the school operating tax from your property tax bill, you can claim 90% of the remaining property tax for the credit.
- **0%** means that you do not have a principal residence exemption and all of your property is subject to school operating tax. If you use the property as your home, you should file a Principal Residence Exemption Affidavit (Form 2368) with your local assessor. A second home or a vacation home does not meet the qualifications of a principal residence.

Below is an **example** of how to compute your Homestead Property Tax Credit. This information can be found on your tax statement(s).

Total taxes levied for tax year (refer to page 18 of tax booklet on taxes that can be claimed).....	\$1,348
Subtract School Operating Tax.....	- 123
	\$1,225
Multiply by percentage declared as Homestead.....	X 90%
Amount of taxes that can be claimed on Homestead Property Tax Credit (MI-1040CR)	\$1,102



Are there special assessments or prior year taxes on the statement? Special assessments include services such as recycling and garbage/rubbish removal, and improvements such as street lights, sidewalks and drains. Subtract any special assessments, taxes from earlier years and other unpaid taxes (and interest) from the total amount. Special assessments that are levied using a uniform millage rate for the entire community or are used to provide police, fire or life support services *may* qualify for inclusion. Check with your local treasurer's office for specific details.

Did your review of your Property Tax Credit include the:

- Correct taxable value,
- Correct school district code,
- Correct amount of property taxes billed,
- Correct percentage of Personal Residence Exemption and
- Deduction of any special assessments from the total tax bill

If you still disagree with the adjustment, please mail copies of summer and winter property tax statements for the year referred to on your notice of adjustment. Be sure to include a copy of the adjustment message you received and your letter requesting a review of your property tax credit. Mail to:

Michigan Department of Treasury
P.O. Box 30058
Lansing, MI 48909

Please be advised that this review can take several months to complete.